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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

## UNISONE STRATEGIC IP, INC.,

CASE NO. 3:13-cv-1743-GPC-JMA

**Plaintiff.**

TRACELINK, INC., and DOES 1 through 10, inclusive,

## **ORDER LIFTING STAY**

## Defendants.

On April 2, 2014, this Court issued a stay pending ex parte reexamination of U.S. Patent No. 6,996,538 (the “’538 patent”). (ECF No. 34.) On November 26, 2014, Defendant Tracelink, Inc. (“Defendant”) filed a notice that the United States Patent and Trademark Office (the “USPTO”) had issued a reexamination certificate for the ’538 patent. (ECF No. 42.) On December 18, 2014, Plaintiff Unisone Strategic IP, Inc. (“Plaintiff”) filed a letter requesting that the Court schedule a Rule 16 conference. (ECF No. 46.) On January 5, 2015, Defendant filed a status report stating that Defendant is seeking covered business method (“CBM”) review of the ’538 patent pursuant to § 18(a) of the America Invents Act (“AIA”), Pub L. No. 112-29, 125 Stat. 284, 329–31 (2011). (ECF No. 49.) In a conference call to chambers, the parties expressed a difference of opinion as to whether the stay was still in effect.

27 The standard for a stay pending CBM review differs from the standard for a stay  
28 pending ex parte reexamination. *Compare Xerox Corp. v. 3Com Corp.*, 69 F. Supp. 2d

1 404, 407 (W.D.N.Y. 1999) (noting the three common law factors that apply to  
2 reexamination stays) *with VirtualAgility Inc. v. Salesforce.com, Inc.*, 759 F.3d 1307,  
3 1310 (Fed. Cir. 2014) (noting the four statutory factors that apply to CBM review  
4 stays). While three of the factors overlap, the burden is still on the moving party to  
5 show that a stay is appropriate. *See Nken v. Holder*, 556 U.S. 418, 433–34 (2009).  
6 Moreover, stays pending ex parte reexamination are appealable only if the plaintiff is  
7 put “effectively out of court,” whereas stays pending CBM review are always  
8 appealable. *Compare Spread Spectrum Screening LLC v. Eastman Kodak Co.*, 657  
9 F.3d 1349, 1354 (Fed. Cir. 2011) (quoting *Moses H. Cone Mem'l Hosp. v. Mercury*  
10 *Constr. Corp.*, 460 U.S. 1, 10 (1983)) *with AIA § 18(b)(2)*. In light of the differing  
11 appellate standards and the fact that it is the moving party’s burden to show that a stay  
12 is appropriate, the Court finds that the stay in this case has been lifted as the USPTO  
13 has concluded its ex parte reexamination of the ’538 patent. If Defendant wishes to stay  
14 proceedings pending CBM review, it should file the appropriate motion with this  
15 Court.

16 Based on the foregoing, **IT IS HEREBY ORDERED** that:

17 1. The stay of proceedings entered by this Court on April 2, 2014, (*see ECF*  
18 *No. 34*), is **LIFTED**;

19 2. Pursuant to the Patent Local Rules, the parties are directed to contact  
20 Magistrate Judge Adler’s chambers regarding scheduling an Early Neutral  
21 Evaluation conference; and

22 3. As no ENE conference has yet taken place, Plaintiff’s request for a Rule  
23 16 conference, (*ECF No. 46*), is **DENIED**.

24 DATED: January 7, 2015

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26 HON. GONZALO P. CURIEL  
27 United States District Judge  
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